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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Edward L. Cochran

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EXAMINER

STARKS, WILBERT L

ART UNIT

PAPER NUMBER

2129

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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 10/634,091	Applicant(s) COCHRAN ET AL.	
	Examiner Wilbert L. Starks, Jr.	Art Unit 2129	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 May 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-14 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-14 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 U.S.C. §101

1. 35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

the invention as disclosed in claims 1-14 is directed to non-statutory subject matter.

2. None of the claims is limited to practical applications, as required by the Supreme Court and the Federal Circuit. Examiner finds that *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) controls the 35 U.S.C. §101 issues on that point for reasons made clear by the Federal Circuit in *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447 (Fed. Cir. 1999). Specifically, the Federal Circuit held that the act of:

...[T]aking several abstract ideas and manipulating them together adds nothing to the basic equation. *AT&T v. Excel* at 1453 quoting *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994).

Examiner finds that Applicant's "possible motivation" references are just such abstract ideas.

3. Examiner bases his position upon guidance provided by the Federal Circuit in *In re Warmerdam*, as interpreted by *AT&T v. Excel*. This set of precedents is within the

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same line of cases as the *Alappat-State Street Bank* decisions and is in complete agreement with those decisions. *Warmerdam* is consistent with *State Street*'s holding that:

Today we hold that *the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price*, constitutes a practical application of a mathematical algorithm, formula, or calculation because it produces 'a useful, concrete and tangible result' -- *a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades*. (emphasis added) *State Street Bank* at 1601.

4. True enough, that case later eliminated the "business method exception" in order to show that business methods were not per se nonstatutory, but the court clearly *did not* go so far as to make business methods *per se* statutory. A plain reading of the excerpt above shows that the Court was *very specific* in its definition of the new *practical application*. It would have been much easier for the court to say that "business methods were per se statutory" than it was to define the practical application in the case as "...the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price..."

5. The court was being very specific.

6. Additionally, the court was also careful to specify that the "useful, concrete and tangible result" it found was "a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." (i.e. the trading activity is the further practical use of the real world

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monetary data beyond the transformation in the computer – i.e., “post-processing activity”).

7. Applicant cites no such specific results to define a useful, concrete and tangible result. Neither does Applicant specify the associated practical application with the kind of specificity the Federal Circuit used.

8. Furthermore, in the case *In re Warmerdam*, the Federal Circuit held that:

...the dispositive issue for assessing compliance with Section 101 in this case is whether the claim is for a process that goes beyond simply manipulating ‘abstract ideas’ or ‘natural phenomena’ ... As the Supreme Court has made clear, ‘[a]n idea of itself is not patentable, ... taking several abstract ideas and manipulating them together adds nothing to the basic equation’. In re Warmerdam 31 USPQ2d at 1759 (emphasis added).

9. Since the Federal Circuit held in *Warmerdam* that this is the “dispositive issue” when it judged the usefulness, concreteness, and tangibility of the claim limitations in that case, Examiner in the present case views this holding as the dispositive issue for determining whether a claim is “useful, concrete, and tangible” in similar cases. Accordingly, the Examiner finds that Applicant manipulated a set of abstract “possible motivations” to solve purely algorithmic problems in the abstract (i.e., what *kind* of “possible motivations” are used? Philosophical ideas? Even vague expressions, about which even reasonable persons could differ as to their meaning? Combinations thereof?) Clearly, a claim for manipulation of “possible motivations” is provably even more abstract (and thereby less limited in practical application) than pure “mathematical algorithms” which the Supreme Court has held are per se nonstatutory – in fact, it *includes* the expression of nonstatutory mathematical algorithms.

10. Since *Warmerdam* is within the *Alappat-State Street Bank* line of cases, it takes the same view of “useful, concrete, and tangible” the Federal Circuit applied in *State Street Bank*. Therefore, under *State Street Bank*, this could not be a “useful, concrete and tangible result”. There is only manipulation of abstract ideas.

11. The Federal Circuit validated the use of *Warmerdam* in its more recent *AT&T Corp. v. Excel Communications, Inc.* decision. The Court reminded us that:

Finally, the decision in *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) is not to the contrary. *** The court found that the claimed process did nothing more than manipulate basic

mathematical constructs and concluded that 'taking several abstract ideas and manipulating them together adds nothing to the basic equation'; hence, the court held that the claims were properly rejected under §101 ... Whether one agrees with the court's conclusion on the facts, the holding of the case is a straightforward application of the basic principle that mere laws of nature, natural phenomena, and abstract ideas are not within the categories of inventions or discoveries that may be patented under §101. (emphasis added) *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447, 1453 (Fed. Cir. 1999).

12. Remember that in *In re Warmerdam*, the Court said that this was the dispositive issue to be considered. In the *AT&T* decision cited above, the Court reaffirms that this is the issue for assessing the “useful, concrete, and tangible” nature of a set of claims under 101 doctrine. Accordingly, Examiner views the *Warmerdam* holding as the dispositive issue in this analogous case.

13. The fact that the invention is merely the manipulation of *abstract ideas* is clear. The data referred to by Applicant's phrase “possible motivation” is simply an abstract construct that does not provide limitations in the claims to the transformation of real world data (such as monetary data or heart rhythm data) by some disclosed process. Consequently, the necessary conclusion under *AT&T*, *State Street* and *Warmerdam*, is straightforward and clear. The claims take several abstract ideas (i.e., “possible motivations” in the abstract) and manipulate them together adding nothing to the basic equation. Claims 1-14 are, thereby, rejected under 35 U.S.C. §101.

Claim Rejections - 35 U.S.C. §112

The following is a quotation of the first paragraph of 35 U.S.C. §112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

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Claims 1-14 are rejected under 35 U.S.C. §112, first paragraph because current case law (and accordingly, the MPEP) require such a rejection if a §101 rejection is given because when Applicant has not in fact disclosed the practical application for the invention, as a matter of law there is no way Applicant could have disclosed *how* to practice the *undisclosed* practical application. This is how the MPEP puts it:

(“The how to use prong of section 112 **incorporates as a matter of law** the requirement of 35 U.S.C. §101 that the specification disclose as a matter of fact a practical utility for the invention.... If the application fails as a matter of fact to satisfy 35 U.S.C. §101, then the application also fails as a matter of law to enable one of ordinary skill in the art to use the invention under 35 U.S.C. §112.”); In re Kirk, 376 F.2d 936, 942, 153 USPQ 48, 53 (CCPA 1967) (“Necessarily, compliance with § 112 requires a description of how to use presently useful inventions, **otherwise an applicant would anomalously be required to teach how to use a useless invention.**”) See, MPEP 2107.01(IV), quoting In re Kirk (emphasis added).

Therefore, claims 1-14 are rejected on this basis.

Response to Arguments

Applicant's arguments filed 05/10/2006 have been fully considered but they are not persuasive. Specifically,

Argument 1

Claims 1-14 were rejected under 35 USC §101 because the subject matter is directed to non-statutory subject matter. This rejection is respectfully traversed at least on the basis that the present claims provide a useful, concrete and tangible result, satisfying the test of State Street bank.

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Applicant's claims in this case do not provide a "...useful, concrete, and tangible result." Applicant merely uses an algorithm to take in "opinions" about "possible motivations" to produce a result of assessing "possible decision outcomes." The result isn't even claimed to be used for anything such as counterterrorism, marketing, etc. It is claimed abstractly from its various possible practical applications. None of those possible practical applications appear as limitations in the claims. Further, Applicant doesn't even claim what kind of model he is using...whether it is a game theory model, a Bayesian model, a Markov model or something else. Applicant only claims the idea of a model without specifying exactly what the invention is and how it is to be practiced. Nor does Applicant say in the Specification how the possible thoughts (i.e., "possible motivations") are modeled and calculated...he just says that they are used for calculations somehow.

Opinions about possible thoughts are not real world things. They are not repeatable in anyway...they refer to nothing measurable in the real world. They are pure, unspecified, abstract human thoughts.

Examiner searched the claims, in the light most favorable to Applicant, for any statutory material and found none. Examiner then made the rejections in order to provide Applicant an opportunity to either point out overlooked matter or provide statutory matter that had not been previously claimed. Applicant failed to point out any overlooked statutory matter and failed to provide statutory amendments.

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It is Examiner's opinion that the claims are devoid of statutory material. Having been given ample opportunity to respond by amendment, Applicant has presented no other statutory limitations to circumscribe the metes and bounds of the claims sufficiently to change this assessment.

Accordingly, the rejections STAND.

Argument 2

Claims 1-14 describe a series of steps undertaken by a group or team of individuals for making a model that helps to predict decisions that may be made by another individual or group, **such as** terrorists. The useful, concrete and tangible result of the methods claimed is clearly stated in the **detailed description** at paragraph [0038]: "The goal is not so much to perfectly predict every attack (although clearly the devastating scenarios need to be responded to), but to identify common vulnerabilities to efficiently utilize resources in protecting such vulnerabilities."

Applicant's argument that his claims can be applied to groups **such as** terrorists is insufficient to actually **limit** his claims to such applications. That supposed "limitation" is only a subset of the **actual matter limited by the claims**. In their broadest reasonable interpretation, the claims can be interpreted to be a computer program per se that merely transforms unspecified human thought as variables without any specified action or product as a result. An argument using erroneously limiting subsets of the actual metes and bounds of the claims is not sufficient to limit the claims to statutory matter because the "claims must be given their broadest reasonable interpretation." See, MPEP 2111 (emphasis added.)

Applicant based his argument on narrower subsets of what was actually claimed, thereby presenting erroneously narrow claim interpretations that appear more acceptable than the ones actually drafted into the claims.

Applicant must expressly present limitations that, in their broadest reasonable interpretation, denote statutory limitations to a practical application. Examiner cannot even rely on *In re Festo's* "argument-based estoppel" to limit the claims to the matter in Applicant's argument, since such doctrine of equivalents issues are actually decided later in Court after an application has been allowed and later contested. Accordingly, Applicant's arguments cannot, at this early stage, be presumed by Examiner to be so limiting.

Examiner reads the claims carefully to search for actual limitations to practical applications and finds none. It is Examiner's opinion that the claims are devoid of statutory material. Having been given ample opportunity to respond by amendment, Applicant has presented no other statutory limitations to circumscribe the metes and bounds of the claims sufficiently to change this assessment.

Accordingly, Applicant has failed to carry his burden of showing how the claims are in any way statutory. On this basis, Examiner finds Applicant's argument to be unpersuasive and the rejections STAND.

Argument 3

While some of the words used in the claims may relate to abstract concepts, the method itself is about quantifying such concepts, and actually manipulating them in a new and unique way to produce the useful, concrete and tangible result. At its core, every invention may be expressed as an abstract concept. Steering a plane, measuring

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temperature, etc. Yet, it is the implementations of these ideas and abstract concepts that are patentable.

The present **claims recite elements that** take concepts, and **concretely represent** them and calculate based on them to provide valuable information that allows one to efficiently utilize resources in **protecting against terrorist attacks**. Compare this noble useful, concrete and tangible result with the results produced by State Street - a dollar amount, and AT&T - a data structure that facilitates billing. **Apparently a method that modifies abstract concepts related to money is patentable. Money and value are abstract concepts in themselves, yet inventions that quantify them are found patentable.** The present application actually may save lives. It would be a travesty to deny it protection merely because **it can be characterized, as perhaps can all other inventions, as mere manipulation of abstract concepts.**

First, Applicant did not claim anything with regard to terrorist attacks. Applicant only addresses "opinions" of "possible motivations" (i.e., unspecified thoughts) in his claims. There is no limitation to terrorist attacks at all in the claim. It is possible that through "argument-based estoppel" from *In re Festo*, that Applicant has limited himself to such applications through his arguments, but such determinations are made by Courts after allowance and cannot be sufficiently addressed here. Therefore, the claims must be given their broadest reasonable interpretation. The claims are unlimited in practical application, therefore, they are in violation of §101.

Further, Applicant believes that the Federal Circuit regarded money as an abstract thing and therefore completely nullified §101 judicially. Examiner believes that interpretations leading to "characterizations" of law that violate Congressional statute and Supreme Court precedent are inherently unreasonable and erroneous. Examiner disagrees with Applicant's interpretation and believes that The Federal Circuit decisions must be read within the scope of Supreme Court Decisions.

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For example, the Federal Circuit in Alappat quoted the Supreme Court in Diamond v. Diehr who, in turn, quoted its own Cochrane v. Deener decision from 1877 regarding statutory processes:

...A process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing... The process requires that certain things should be done with certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence." See Alappat, 33 F.3d at 1543, 31 USPQ2d at 1556-57 (quoting Diamond v Diehr 450 U.S. 175, 183 (1981) quoting Cochrane v. Deener, 94 U.S. 780, 787-788 (1877).)

The Constitutional definition of a "process" is a long-standing one that has been expressly followed by the Supreme Court and, consequently, by the Federal Circuit and The USPTO. Therefore, this is the definition of a "process" that supercedes all others in §101 analysis.

Accordingly, the Federal Circuit's decision in State Street can only be interpreted as a proposition that "money" (i.e., "discrete dollar value," as the Court puts it) is a "substance" that can be "transformed" with respect to this formulation.

State Street cannot be read as a Federal Circuit decision that is intended to overrule current Supreme Court doctrines that have pedigrees that actually date back to 1793 (when one considers that Deener is an interpretation of the 1793 Act.)

Applicant has not presented any law that can supercede this.

Applicant's interpretation of the law is clearly an unreasonable and erroneous one for which Examiner sees little support and sees no basis to agree. Accordingly, Applicant's argument is unpersuasive and the rejections STAND.

Argument 4

The Office Action indicates that "Regardless of whether any of the claims are in the technological arts, none of them is limited to practical applications in the technological arts." While *In re Warmerdam* and *AT&T* are cited, the stated requirement that a practical application has to be in the technological arts is not identified in such cases. In fact, *In re Lundgren*, recently decided by an expanded board of appeals panel in the USPTO has expressly eliminated a technological arts requirement. To now expand the technological arts doctrine to indicate that the practical application has to be in the technological arts is against the holding of *In re Lundgren*.

Applicant is unsure how the *State Street* holding as stated in the Office Action produces a useful, concrete and tangible result in the technological arts. The result in *State Street* is "a final share price momentarily fixed for recording purposes." If a share price is in the technological arts, the creation of a decision making model, and an assessment of the possible decision outcomes with respect to the decision making model would also be within the technological arts. One relates to value of assets, and the claimed invention relates to prediction of decisions, decision outcomes, which allows proper asset management. A real world use of the result.

Examiner withdraws any argument based on the idea that the claims are not within the "technological arts," but does not withdraw any of the §101 rejections because there are ample alternate arguments for maintaining those rejections. Regardless of the existence of any "technological arts" test in §101 doctrine, the rejections STAND.

Argument 5

The presently claimed invention also transforms data representing motivations, creating a decision making model from the motivations and weighting of the motivations. **Possible decision outcomes** are identified, and the model is used to assess the possible decision outcomes. Thus, decision making is quantified by a group and multiple calculations are used to further quantify decision making to determine possible outcomes. The invention as claimed may sound complex, but that does not make it totally abstract and unpatentable.

Examiner's rejection was not a "complexity" rejection, as Applicant suggests. It is a rejection based on the fact that Applicant has not applied his claimed invention and has not even defined his algorithm in the claims. It is an open question whether he uses game theory, Bayesian networks, Markov models, or whatever to model "possible motivations."

Further, Applicant's claims in this case do not provide a "...useful, concrete, and tangible result." Applicant merely uses an algorithm to take in "opinions" about "possible motivations" to produce a result of assessing "possible decision outcomes." The result isn't even claimed to be used for anything such as counterterrorism, marketing real estate, sports coaching, etc. It is claimed abstractly from its various possible practical applications. None of those possible practical applications appear as limitations in the claims. Further, Applicant doesn't even claim what kind of model he is using...whether it is a game theory model, a Bayesian model, a Markov model or something else. Applicant only claims the idea of a model without specifying exactly what the invention is and how it is to be practiced. Nor does Applicant say in the Specification how the possible thoughts (i.e., "possible motivations") are modeled and calculated...he just says that they are used for calculations somehow.

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Opinions about possible thoughts are not real world things. They are not repeatable in anyway...they refer to nothing measurable in the real world. They are pure, unspecified, abstract human thoughts.

Examiner searched the claims, in the light most favorable to Applicant, for any statutory material and found none. Examiner then made the rejections in order to provide Applicant an opportunity to either point out overlooked matter or provide statutory matter that had not been previously claimed. Applicant failed to point out any overlooked statutory matter and failed to provide statutory amendments.

It is Examiner's opinion that the claims are devoid of statutory material. Having been given ample opportunity to respond by amendment, Applicant has presented no other statutory limitations to circumscribe the metes and bounds of the claims sufficiently to change this assessment.

Accordingly, the rejections STAND.

Argument 6

Paragraph 7 of the Office Action indicates that Applicant does not specify the associated practical application with the kind of specificity that the Federal Circuit used in State Street. It should be noted that **there is no requirement that a claim identify a practical application, only that the result of what is claimed be useful, concrete and tangible**. Applicant has indicated above at least one practical application of the claimed invention, and has identified where in the specification such a practical application is discussed.

Examiner directs Applicant's attention to State Street Bank, following Diamond v. Diehr, in order to see that "practical applications" **are** required. State Street follows the Supreme Court thusly:

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The "Mathematical Algorithm" Exception

The Supreme Court has identified three categories of subject matter that are unpatentable, namely "laws of nature, natural phenomena, and abstract ideas." *Diehr*, 450 U.S. at 185, 101 S.Ct. 1048. Of particular relevance to this case, the Court has held that mathematical algorithms are not patentable subject matter to the extent that they are merely abstract ideas. See *Diehr*, 450 U.S. 175, 101 S.Ct. 1048, passim; *Parker v. Flook*, 437 U.S. 584, 98 S.Ct. 2522, 57 L.Ed.2d 451 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 93 S.Ct. 253, 34 L.Ed.2d 273 (1972). In *Diehr*, the Court explained that certain types of mathematical subject matter, standing alone, represent nothing more than abstract ideas until reduced to some type of **practical application**, i.e., "a useful, concrete and tangible result." See, *State Street Bank & Trust Co. v. Signature Financial Group Inc.* 149 F.3d 1368, 1373 (Fed Cir. 1998) (quoting *Alappat*, 33 F.3d at 1544, 31 USPQ2d at 1557.)

Applicant cites no authority or precedent for his interpretation that practical applications are not required. Therefore, Applicant's advocacy of that point is not persuasive. Applicant is encouraged to read *State Street Bank*, *Alappat*, and *Diamond v. Diehr* regarding this issue before he further advocates such a position.

Accordingly, the rejections STAND.

Argument 7

In Paragraph 9 of the Office Action, "Examiner finds that Applicant manipulated a set of abstract 'motivation' to solve purely algorithmic problems in the abstract (i.e., what kind of motivation is used? Philosophical ideas? Even vague expressions, about which even reasonable persons could differ as to their meaning? Combinations thereof?) Clearly, a claim for manipulation of motivation is provably even more abstract (and thereby less limited in practical application) than pure 'mathematical algorithms' which the Supreme Court has held are per se nonstatutory - in fact, it includes the expression of nonstatutory mathematical algorithms." The **claimed invention** does deal with the abstract concept of predicting decisions. However, it adds concreteness to the task, but using a group of individuals, who given a potential target, use tools to identify the motivation of the potential attacker, and further using such tools and actual concrete quantifications of the motivation to determine the most likely forms of attacks, or decision outcomes. Thus, it takes an abstract decision making process of an individual and predicts what that individual may decide. Thus, regardless of how abstract the claim may seem, it quantifies abstract concepts and

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produces a useful, concrete and tangible result that has real world applications.

Not true...Applicant is impermissibly reading limitations from the Specification into the claims. It is a trivial matter for Applicant to amend such limitations into his claims, if he truly intends to claim them. Until that time, the claims will be given their broadest reasonable interpretations. Examiner cannot even rely on In re Festo's "argument-based estoppel" to limit the claims to the matter in Applicant's argument, since such doctrine of equivalents issues are actually decided later in Court after an application has been allowed and later contested. Accordingly, Applicant's arguments cannot, at this early stage, be presumed by Examiner to be so limiting.

Examiner reads the claims carefully to search for actual limitations to practical applications and finds none. It is Examiner's opinion that the claims are devoid of statutory material. Having been given ample opportunity to respond by amendment, Applicant has presented no other statutory limitations to circumscribe the metes and bounds of the claims sufficiently to change this assessment.

Accordingly, Applicant has failed to carry his burden of showing how the claims are in any way statutory. On this basis, Examiner finds Applicant's argument to be unpersuasive and the rejections STAND.

Argument 8

Paragraph 11 of the Office Action appears to use AT&T as a validation of Warmerdam. However, it should be noted that AT&T tries to distance itself from Warmerdam by including the statement: "Whether one agrees with the court's conclusion on the facts..." It essentially limits Warmerdam to a statement that "mere laws of nature, natural phenomena, and

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abstract ideas" are not patentable. If the present claims do recite one or more abstract ideas, they also recite elements that provide a useful, concrete and tangible result and are therefore patentable subject matter. Further, any such abstract ideas are not preempted by the claims.

Not true. Applicant seeks to give the Court's statement some characterization that is outside of its plain meaning...the Court's statement simply means what it says: "Whether one agrees with the Court's conclusion on the facts..." (i.e., regardless of any opinions by others regarding the Court's application of the law to the facts...) The Court was acknowledging that others might disagree with its application of the law to the facts in the case, but it reaffirmed that a rule it was using to decide the case was the Warmerdam rule.

If Applicant still believes it is truly worth asserting that In re Warmerdam was "overruled" or "not followed" in AT&T v. Excel, Examiner invites Applicant to **Shepardize** In re Warmerdam to verify that position before he further advocates it.

Argument 9

Paragraph 13 of the Office Action indicates that the invention is merely the manipulation of abstract ideas. "The data referred to by Applicant's word "motivation" is simply an abstract construct that does not provide limitations in the claims to the transformation of real world data (such as monetary data or heart rhythm data) by some disclosed process." This statement is respectfully traversed. Real world data is transformed. The potential decisions of a person or group, such as a terrorist regarding targets to attack is determined. Real world data comprising the opinions of a group of experts is transformed into a decision making model and potential outcomes of the decision making are identified. The prediction of likely targets and modes of attack is clearly real world data, and it allows efficient allocation of resources to prevent such attacks. This is just one example of a use of the methods claimed. It provides a useful, concrete and tangible result, and clearly constitutes patentable subject

matter.

Again, Applicant's argument that his claims can be applied to predicting modes of attack (as opposed to actually limited to such an application) is insufficient to actually limit his claims to such applications. Applicant's supposed "limitations" are only subsets of the actual matter limited by the claims. An argument using erroneously limiting subsets of the actual metes and bounds of the claims is not sufficient to limit the claims to statutory matter because the "claims must be given their broadest reasonable interpretation." See, MPEP 2111 (emphasis added.)

Applicant based his argument on the narrower subsets of the actually claimed matter, thereby presenting erroneously narrow claim interpretations that appear more acceptable than the ones actually drafted into the claims.

Applicant must expressly present limitations that, in their broadest reasonable interpretation, denote statutory limitations to a practical application.

Examiner cannot even rely on In re Festo's "argument-based estoppel" to limit the claims to the matter in Applicant's argument, since such doctrine of equivalents issues are actually decided later in Court after an application has been allowed and later contested. Accordingly, Applicant's arguments cannot, at this early stage, be presumed by Examiner to be so limiting.

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Examiner reads the claims carefully to search for actual limitations to practical applications and finds none. It is Examiner's opinion that the claims are devoid of statutory material. Having been given ample opportunity to respond by amendment, Applicant has presented no other statutory limitations to circumscribe the metes and bounds of the claims sufficiently to change this assessment.

Accordingly, Applicant has failed to carry his burden of showing how the claims are in any way statutory. On this basis, Examiner finds Applicant's argument to be unpersuasive and the rejections STAND.

Argument 10

§112 Rejection of the Claims

Claims 1-14 were rejected under 35 USC §112, first paragraph, because current case law (and accordingly, the MPEP) require such a rejection if a §101 rejection is given because when Applicant has not in fact disclosed the practical application for the invention, as a matter of law there is no way Applicant could have disclosed how to practice the undisclosed practical application. This rejection is respectfully traversed. Applicant has described at least one practical application, and provided reference to the detailed description where such practical application is taught. Since such a practical application has been identified, the rejection should be withdrawn.

Applicant has "described at least one practical application," but has not placed limitations in his claims to such applications. Accordingly, Applicant's claims are devoid of statutory matter. Further, Applicant hasn't even claimed what kind of model he is using...whether it is a game theory model, a Bayesian model, a Markov model or something else.

Applicant only claims the idea of a model without specifying exactly what the invention is and how it is to be practiced. Nor does Applicant say in the Specification how the possible thoughts (i.e., "possible motivations") are modeled and calculated...he just says that they are used for calculations somehow.

On these bases, Examiner finds Applicant's argument to be unpersuasive and the rejections STAND.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

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Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Wilbert L. Starks, Jr. whose telephone number is (571) 272-3691.

Alternatively, inquiries may be directed to the following:

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WLS

06 August 2006

A handwritten signature in black ink, appearing to read "Wilbert L. Starks, Jr.", written diagonally across the page.

Wilbert L. Starks, Jr.
Primary Examiner
Art Unit - 2121